



Berkeley Housing Authority

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Office of the Executive Director

Item 6B
NEW BUSINESS
October 11, 2018

To: Honorable Chairperson and
Members of the Housing Authority Board

From: William Wilkins, Executive Director

SUBJECT: Fiscal Year 2018-19 Budget Amendment

RECOMMENDATION

Approval and adoption of amended budget for Fiscal Year Ending June 30, 2019.

BACKGROUND

On June 14, 2018, the Berkeley Housing Authority Board of Commissioners approved the FY2019 Budget for the Authority. The approved budget projected a deficit \$407,272 for all programs in FY2019.

DISCUSSION AND ANALYSIS

Since the adoption of the FY2019 Budget by the BHA Board in June, new developments transpired that resulted in significant change in the budget:

1. 2018 Pro-ration for administrative fees increased from 76% to 80%, increasing estimated Administrative Fee revenue by \$43,200.
2. The City of Berkeley Information Technology (IT) Department implemented a cost allocation plan beginning FY2019 and onward. Among other things, IT cost allocated to BHA and other City of Berkeley Departments include hardware replacement, software licensing, and IT operational costs. The amount charged to BHA for FY2019 is \$54,559.05.
3. We recently sent out an RFP for a Strategic Planning Consultant for Affordable Housing Development Strategies and selected LeSar Development Consultants to carry out the work required. This new contract with LeSar was not known when the approved budget was adopted in June; estimated \$20,000 increase in Miscellaneous Professional Fees.
4. We anticipate a reduction/savings in staff cost by approximately \$15,746 resulting from having a temporary agency staff assigned at the front desk through December 31, 2018 or until a permanent replacement is selected.

FINANCIAL IMPACTS OF RECOMMENDATION

Increase of \$10,054 in the projected deficit, now \$417,326.

CONTACT PERSON

Jesy Yturalde, Finance Manager, 981-5488

William Wilkins, Executive Director, 981-5471

Attachments:

1. Resolution
2. Amended Budget for FYE-2019

BERKELEY HOUSING AUTHORITY
Resolution 18-__

ADOPTION OF THE AMENDED FISCAL YEAR 2018-19 BUDGET OF THE BERKELEY HOUSING AUTHORITY

WHEREAS, The Berkeley Housing Authority (“BHA” or “Authority”) is a public body, corporate and politic, organized pursuant to the Housing Authorities Law, California Health and Safety Code Section 34200 *et. seq.*; and

WHEREAS, BHA operates on a July 1-June 30 fiscal year and HUD funding is on a calendar year; and

WHEREAS, formal adoption of a fiscal year budget by Board Commissioners is one of the duties of the Board of the Authority; and

WHEREAS, the BHA Board of Commissioners adopted and approved the FY2019 Budget for BHA on June 14, 2018; and

WHEREAS, after the adoption of the FY2019 Budget, significant events occurred, specifically regarding Administrative Fees, Employee Benefits, General Consultants and Equipment Maintenance, that materially changed the FY2019 Budget; and

WHEREAS, all other assumptions in the original budget stay the same; and

WHEREAS, the projected deficit increased by \$10,054 and is now \$417,326 for all programs.

NOW, THEREFORE BE IT RESOLVED that the proposed amendment to the BHA Budget for FY2018-2019, attached as Exhibit A, is approved.

BE IT FURTHER RESORVED, that the Executive Director is authorized during the fiscal year to adjust the allocation of expenditures within the total budget authority approved by the Board, in order to efficiently manage the operations of the Authority.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on October 11, 2018 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: _____
William Wilkins, Secretary

BERKELEY HOUSING AUTHORITY
DETAIL - PROPOSED Budget
For Fiscal Year 2018-2019
Section 8 Only

	DESCRIPTION	Grand Total APPROVED BUDGET FY2019	PROPOSED AMENDMENT FY2019	Grand Total PROPOSED BUDGET FY2019 (a) = (b) + (c)	Section 8		PROJECTED ACTUAL 2/28/2018	Increase (Decrease)	%
					Voucher Program 1,935 Units (b)	Mod. Rehab Program 98 Units (c)			
	HUD Authorized Units ==>								
1	HOUSING ASSISTANCE PAYMENTS (HAP)								
	HAP Revenue from HUD	\$ 30,946,487	\$ -	\$ 30,946,487	\$ 30,173,855	\$ 772,632	\$ 29,775,064	\$ 1,171,423	4%
2	HAP Expenses to Owners	\$ (30,946,487)	\$ -	\$ (30,946,487)	\$ (30,173,855)	\$ (772,632)	\$ (29,775,064)	\$ (1,171,423)	4%
	Estimated excess (shortfall) in HAP revenue	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -	
	Estimated Net Restricted Reserve balance, beginning of FY	\$ -	\$ -	\$ -					
	OPERATING REVENUE								
3	Administrative Fees	\$ 1,786,638	\$ 43,200	\$ 1,829,838	\$ 1,684,783	\$ 145,055	\$ 1,808,666	\$ 21,172	1%
3.i	Administrative Fee earned for managed incoming ports	\$ 14,035	\$ -	\$ 14,035	\$ 14,035	\$ -	\$ 12,906	\$ 1,129	9%
3.ii	Administrative Fee Paid for managed outgoing ports	\$ (24,768)	\$ -	\$ (24,768)	\$ (24,768)	\$ -	\$ (38,858)	\$ 14,090	-36%
3.iii	Net Administrative Fee	\$ 1,775,906	\$ 43,200	\$ 1,819,105	\$ 1,674,050	\$ 145,055	\$ 1,782,714	\$ 36,391	2%
4	BHA Oversight Fee	\$ 5,628	\$ -	\$ 5,628	\$ 5,628	\$ -	\$ 5,464	\$ 164	3%
5	Miscellaneous Income	\$ 8,000	\$ -	\$ 8,000	\$ 8,000	\$ -	\$ 8,549	\$ (549)	-6%
	Total Operating Revenue	\$ 1,789,534	\$ 43,200	\$ 1,832,733	\$ 1,687,678	\$ 145,055	\$ 1,796,727	\$ 36,006	2.0%
	TOTAL REVENUE	\$ 32,736,021	\$ 43,200	\$ 32,779,220	\$ 31,861,533	\$ 917,687	\$ 31,571,791	\$ 1,207,429	4%
	Available for Operations	\$ 1,789,534	\$ 43,200	\$ 1,832,733	\$ 1,687,678	\$ 145,055	\$ 1,796,727	\$ 36,006	2%
	OPERATING EXPENSES								
	ADMINISTRATION								
6	Salaries	\$ 1,101,783	\$ -	\$ 1,101,783	\$ 1,027,452	\$ 74,331	\$ 1,078,514	\$ 23,269	2%
6	Employee Benefits	\$ 631,686	\$ (15,745)	\$ 615,940	\$ 573,556	\$ 42,384	\$ 625,212	\$ (9,271)	-1%
6	Sub-total salaries and employee benefits	\$ 1,733,469	\$ (15,745)	\$ 1,717,723	\$ 1,601,008	\$ 116,715	\$ 1,703,726	\$ 13,998	1%
7.i	Fee - Legal Expense - Outside Counsel	\$ 60,300	\$ -	\$ 60,300	\$ 57,285	\$ 3,015	\$ 58,223	\$ 2,077	4%
7.ii	Fee - Audit Fees	\$ 19,000	\$ -	\$ 19,000	\$ 16,910	\$ 2,090	\$ 23,000	\$ (4,000)	-17%
7.iii	Fee - Consultants - General Consultants	\$ 37,590	\$ 20,000	\$ 57,590	\$ 54,711	\$ 2,880	\$ 51,091	\$ 6,499	13%
7.iv	Fee - Inspection	\$ 53,158	\$ -	\$ 53,158	\$ 48,936	\$ 4,222	\$ 76,300	\$ (23,142)	-30%
8.i	Office Rent	\$ 118,074	\$ -	\$ 118,074	\$ 112,170	\$ 5,904	\$ 105,863	\$ 12,211	12%
8.ii	Travel/Transportation	\$ 6,230	\$ -	\$ 6,230	\$ 5,919	\$ 312	\$ 6,231	\$ (1)	0%
8.iii	Staff Training	\$ 7,200	\$ -	\$ 7,200	\$ 6,840	\$ 360	\$ 7,200	\$ -	0%
8.iv	Publications & Subscriptions	\$ 6,475	\$ -	\$ 6,475	\$ 6,151	\$ 324	\$ 6,475	\$ -	0%
8.v	Memberships & Dues	\$ 5,898	\$ -	\$ 5,898	\$ 5,603	\$ 295	\$ 5,898	\$ (0)	0%
8.vi	Telephone	\$ 10,320	\$ -	\$ 10,320	\$ 9,804	\$ 516	\$ 10,320	\$ -	0%
8.vii	Office Supplies	\$ 13,200	\$ -	\$ 13,200	\$ 12,540	\$ 660	\$ 13,200	\$ -	0%
8.viii	Postage	\$ 18,888	\$ -	\$ 18,888	\$ 17,847	\$ 1,041	\$ 17,718	\$ 1,170	7%
8.ix	Printing & Reproduction	\$ 9,600	\$ -	\$ 9,600	\$ 9,120	\$ 480	\$ 9,600	\$ -	0%
8.x	Equipment maintenance	\$ 6,360	\$ 48,999	\$ 55,359	\$ 52,591	\$ 2,768	\$ 6,599	\$ 48,760	739%
8.x	Equipment Lease	\$ 7,428	\$ -	\$ 7,428	\$ 7,057	\$ 371	\$ 6,181	\$ 1,247	20%
8.xi	Advertising	\$ 1,200	\$ -	\$ 1,200	\$ 1,140	\$ 60	\$ 1,200	\$ -	0%
8.xii	Messenger/delivery service	\$ 600	\$ -	\$ 600	\$ 570	\$ 30	\$ 200	\$ 400	200%
8.xiii	Software Maintenance	\$ 16,500	\$ -	\$ 16,500	\$ 15,675	\$ 825	\$ 16,681	\$ (181)	-1%
8.xiv	Other Sundry Items	\$ 12,600	\$ -	\$ 12,600	\$ 11,970	\$ 630	\$ 12,640	\$ (40)	0%
	Total Administrative Expenses	\$ 2,144,090	\$ 53,254	\$ 2,197,343	\$ 2,053,846	\$ 143,497	\$ 2,138,346	\$ 58,998	3%

BERKELEY HOUSING AUTHORITY
DETAIL - PROPOSED Budget
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					Voucher Program 1,935 Units (b)	Mod. Rehab Program 98 Units (c)			
	HUD Authorized Units ==>			(a) = (b + c)			(e)		
9	ROUTINE MAINTENANCE								
	Facilities maintenance	\$ 5,064	\$ -	\$ 5,064	4,811	253	\$ 4,948	\$ 116	2%
9	Total Routine Maintenance	\$ 5,064	\$ -	\$ 5,064	\$ 4,811	\$ 253	\$ 4,948	\$ 116	2%
10	GENERAL EXPENSES								
10.i	Insurance	\$ 36,152	\$ -	\$ 36,152	32,760	3,392	\$ 34,969	\$ 1,183	3%
10.ii	Other General Expenses	\$ 11,500	\$ -	\$ 11,500	10,925	575	\$ 12,200	\$ (700)	-6%
10	Total General Expenses	\$ 47,652	\$ -	\$ 47,652	\$ 43,685	\$ 3,967	\$ 47,169	\$ 483	1.0%
	TOTAL OPERATING EXPENSES	\$ 2,196,806	\$ 53,254	\$ 2,250,059	\$ 2,102,342	\$ 147,717	\$ 2,190,464	\$ 59,596	2.72%
	TOTAL EXPENSES	\$ 2,196,806	\$ 53,254	\$ 2,250,059	\$ 2,102,342	\$ 147,717	\$ 2,190,464	\$ 59,596	2.72%
11	OPERATING SURPLUS (DEFICIT)	\$ (407,272)	\$ (10,054)	\$ (417,326)	\$ (414,664)	\$ (2,662)	\$ (393,737)	\$ 23,589	-6%

ESTIMATED OPERATING RESERVE AS OF 07/01/2018	\$ -	\$ 75,085
ESTIMATED OPERATING RESERVE BALANCE (SHORTFALL) AS OF 06/30/2018	\$ (414,664)	\$ 72,423
USE OF NET PROCEEDS	\$ 414,664	\$ -